

SUMMARY OF The St. Louis Republic

Thursday, June 22, 1905.

THE WEATHER.

FORECAST.	A.M.
St. Louis and vicinity.	6-20
Partly cloudy; cooler to-day;	8-22
northerly winds; fair and cooler	10-24
to-day; fair and warmer to-mor-	11-27
row.	M.
Yesterday's Conditions.	12-28
Weather - Partly cloudy; cooler;	P.M.
clearing, partly cloudy. Temper-	1-28
ature - Maximum, 85; minimum,	5-25
degrees. Wind - Direction,	2-30
northeast; maximum velocity, 15	3-35
miles an hour at 7 a. m. Pre-	4-40
cipitation - None. Humidity - Max-	5-55
imum, 95 per cent at 7 a. m. Bar-	6-55
ometer - At 7 a. m., 30.95 inches;	7-55
at 7 p. m., 30.32 inches. State of	8-55
the river, 25.2 feet at 7 a. m.	9-55
Sunrise, 4:31; sunset, 7:39.	10-55
Length of day, 14:08. Moon rose,	11-55
11:25; last quarter, June 24; new	A.M.
moon, July 2; first quarter, July	5-74
6; last quarter, July 21.	

Washington, June 21.—Forecast:
Middle—Partly cloudy and cooler to-day;
showers in southern portion; tomorrow
warmer, except in southern portion; fresh
north winds, becoming variable.
Arkansas—Showers to-day. To-morrow fair,
Oklahoma and Indian Territory—Showers to-
day, except fair in the extreme west portion.
To-morrow fair.
Eastern Texas—Partly cloudy to-day; showers
in the south portion. Tomorrow probably fair;
variable winds.
Kansas—Local showers to-day. To-morrow
fair.

FEATURES OF TO-DAY'S NEWS.

1. Santa Fe Rebate Investigation.
Equitable Insurance Controversy.
Great Battle May Have Begun.
Russo-Japanese Peace Plans.
To Enforce Law in County.
2. Detail of Santa Fe Case Report.
3. Bowen-Loomis Controversy.
Standard Oil Investigation.
4. Salmon Bank May Reopen.
5. North American Report.
Indicted Senator Attacks Accusers.
V. Wade Attacks Bankers.
Eight Heat Deaths in Pittsburgh.
6. President Accepts Degree.
Collapses on Wedding Eve.
36 May Adjudge Dead Bankrupt.
Good Roads Convention Meets.

WANT ADS.

On Pages 12, 13 and 14. Birth, Mar-
riage and Death Records and
Movements on Page 12. Vacant
Movements on Page 4.

WASHINGTON.

Bowen, dismissed from diplomatic ser-
vice, says departmental inquiry should
not prevent investigation of Loomis
case. PAGE 2.

FOREIGN.

King Oscar tells Swedish Riksdag that
Norway must not be coerced. PAGE 11.

LOCAL AND SUBURBAN.

The United States Court of Appeals will
decide whether dead man may be ad-
judged bankrupt. PAGE 15.

GENERAL DOMESTIC.

North American Company's report shows
loss in future of St. Louis. PAGE 2A.

SPORTS NEWS.

Boston defeated the Cardinals yesterday
by the score of 3 to 1. PAGE 2B.

REPORT FINDS EQUITABLE WAS IN BAD HANDS

State Superintendent of Insur-
ance of New York Flays the
Society and Its Meth-
ods of Working.

SCORES ALEXANDER AND HYDE

Tarbell Is Exonerated, but Ryan
Is Criticized, and the Complete
Mutualization Is Advised.

ST. LOUIS MATTER FIGURES.

Purchase of Building, Rental to
Safe Deposit Company, Rentals
Received, and Other Affairs
Given as Sample.

Albany, N. Y., June 21.—The report of
Superintendent Francis Hendricks of the
State Insurance Department to Governor
Hugan upon his investigation of the
Equitable Life Assurance Society was
made public here and in New York to-
night.

It is described in the title as "a pre-
liminary report," and it sharply criticizes
the management of the society, as well
as the new trust arrangement for voting
the stock agreed upon by Thomas F.
Ryan and three trustees designated by
him.

In conclusion, Superintendent Hendricks
says:
"Superficial measures will not correct the
existing evils in this society. A cancer
cannot be cured by treating the symptoms.
Complete mutualization, with the elimina-
tion of the stock to be paid for at a price
only commensurate with its dividends, is,
in my opinion, the only sure measure of
reform."

"The report, with a copy of the evidence
taken on investigation, will be transmitted
to the Attorney General for such action
thereon as he may deem proper."

ARMANDUS ALEXANDER AND HYDE.
James W. Alexander, president, and
James A. Hyde, first vice president, re-
spective, whose resignations were ac-
cepted yesterday by Chairman Morton, are
severely arraigned in the report.

Gage E. Tarbell, second vice president,
is exonerated. Mr. Hendricks finding that
no substantial evidence appears in sup-
port of the charges against him. Then
Hendricks says it is an open question
whether President Alexander and the
other officers and directors who partici-
pated with him in the transactions of
"James H. Hyde and associates" are not
disqualified, under section 25 of the In-
surance Law, from hereafter holding any office
in a life insurance company.

The report characterizes the transac-
tions as unlawful. Mr. Tarbell's name is
not in the list of participants in these
transactions. The policy holders, however,
the report sets forth, are under great ob-
ligations to Mr. Alexander and the other
executive officers, for demanding the mu-
tualization of the society and the return
of Mr. Hyde from the company.

SAFE-DEPOSIT HIGHLIGHTS.
Mr. Hendricks presents documents re-
ferred to in his report in connection with
the houses of the Missouri Safe Deposit
Company of St. Louis, the Mercantile Safe
Deposit Company of New York and the
Security Safe Deposit Company of Bos-
ton, as follows:

"These houses are all so one-sided, unfair
and unjust to the policy holders, that it is
practically impossible to convey a clear idea
of all their provisions, by any extract
which may be made; for it is difficult to
believe that trustees of a sacred trust
would make such contracts against the
welfare of the society and in their own
interest. In order that the policy holders
may see for themselves, if they de-
sire, and see the kind of houses which
the society has been making, copies are
appended to and made a part of this re-
port."

Then follows "Exhibit A," showing how
the houses were rigged. The Superin-
tendent of insurance then continues:

"According to a statement furnished us
by the officers of the society, the receipts
of rent from the houses of the Safe-
Deposit Company and the Mercantile Safe
Deposit Company, from the year 1903 to
the year 1904, both inclusive, amounted
to \$102,238. This statement contains no
items of expenditure prior to the ninth day
of January, 1905, but the expenditures and
payments made by the society on account
of alterations and additions in and for the
Security Safe Deposit Company from that
date to and including the sixteenth day
of May, 1904, were \$102,238, very much
more than the rent received during that
period. The safe deposit company has re-
ceived \$23.35, the same as the Equitable
Society, and the additional sum of
\$1,000 a year since January 1.

"The late Henry B. Hyde, who by this
time had become a firm believer, and an
active supporter of the safe deposit houses, con-
sidered he could improve on the Boston house by
\$1,000 a year in favor of himself and his
friends, and to the loss of the society.
Therefore, prior to the ninth day of No-
vember, 1904, he caused the Equitable So-
ciety to purchase an office building in the
city of St. Louis, Mo., and organized a
corporation under the laws of that State,
and named it 'The Missouri Safe Deposit
Company,' and on the ninth day of No-
vember, 1904, he caused the Equitable So-
ciety to make a lease to this corporation.
This lease was executed by James W.
Alexander, president, and William Alex-
ander, secretary.

"By this lease the Missouri Safe Deposit
Company rents out or sublets the whole
house, boxes and places of deposit, and
pays all expenses incurred in the same.
The balance of net rental is disposed of
as follows:

THE SCHEME OF RENTALS.
"The first \$200 goes to the Equitable So-
ciety, the next \$200 goes to the Safe-
Deposit Company, and if the net income
is less than \$400, the balance goes to the
Safe-Deposit Company."

FOLK'S ENVOY TO ST. LOUIS COUNTY HAS STATE'S POWER BACK OF HIM



JOHN KENNISH,
Assistant Attorney General of Missouri, who will look after affairs in St.
Louis County.

ORDER TO ARREST DELMAR SPECTATORS

Governor Assigns Assistant At-
torney General to Stop Gam-
bling and Curb Saloons.

USE MILITIA IF NECESSARY.

Executive Spends Day in Confer-
ence With Local Officials
and Outlines Plan of
Action.

As a result of Governor Folk's visit to
the city yesterday, John Kennish, As-
sistant Attorney General of Missouri, has
been assigned to go to St. Louis County
and enforce the laws with regard to the
race track, gambling and saloons.

Governor Folk repeated his declaration
that he would stop lawlessness in the
county, even if it became necessary to use
the militia.

At noon he held a conference at the
Southern with Attorney General Hadley
and Circuit Attorney Sager over the al-
location in St. Louis County. All three
agreed that it was necessary for some-
thing to be done in the county. Mr. Sager
said that as the betting ring of Delmar
track was outside the city limits, he could
not make raids, as he would do were the
ring under his jurisdiction.

As the Attorney General is busy with
the Standard Oil hearing, he has assigned
his assistant, former State Senator John
Kennish, to go to the county upon orders
from Governor Folk. Mr. Kennish, who
is recognized as one of the best lawyers of
the State, has instructions from the Gov-
ernor to cause the arrest of everyone in
anyway connected with the race track,
including those in attendance at the bet-
ting ring.

In order to do this, he is authorized to
call upon the Sheriff to make the arrests,
and if the latter has not enough deputies,
to swear in sufficient men to carry out
any orders which may be given by the
Assistant Attorney General. The Govern-
or is determined, and has assurances
of the help of the Attorney General's of-
fice to enforce the law, and not wait for
test cases to be decided.

In the event that the Sheriff fails to re-
spond to the orders of the Assistant At-
torney General, Governor Folk will call
out the militia, and has intimated as much
to Adjutant General H. Armond.

"The law will be enforced, of that rest
assured," said Governor Folk yesterday.
"There is no more reason why this open
violation of the law should be permitted
than that burglars should be permitted
until a test case has been made with one
of their number."

"Attorney General Hadley and his as-
sistants have been ordered to take charge
of the prosecutions in the county. St.
Louis County is a sore spot in the State
to-day, and until the majesty of the law
is vindicated, I intend to do everything
in my power to make violations cease."

"Eviction of the drawing law will not be
permitted by the people of St. Louis
County if I can help it. If one Grand
Jury does not find indictments, others
should be called, until jurors who are not
afraid to do their duty are secured. Laws
are not made to be violated, but to be
enforced. That is the foundation stone of
our government."

Governor Folk held a second conference
with Attorney General Hadley and As-
sistant Attorney General Kennish last
night. The details of the procedure for to-
day were considered and the entire mat-
ter was turned over to Mr. Kennish, who
will take charge of the situation this
morning.

GREAT BATTLE MAY HAVE BEGUN

St. Petersburg Hears That Jap-
anese Armies Have Begun
Main Advance.

NO HEAVY COLLISIONS YET.

Russians Evidently Are Retiring
to Their First Line of In-
trenchments Crossing Rail-
road at Sipinghai.

St. Petersburg, June 22, 12:58 a. m.
The public, which has no idea that ne-
gotiations for an armistice are on
foot, believes that a great battle in
Manchuria is now beginning, and of-
ficial dispatches from both sides bear
out the idea that the Japanese com-
menced the main advance, though as
yet there have been no heavy colli-
sions.

The Japanese, following the check-
ing of the movement to the west, are
now pushing forward in force along
the railroad and the Mandchuria and
Mukden roads, their front now
stretching from Singingchuan, fif-
teen miles north of Changtzu, and
east toward Shanninshu Station to
Yaonia Pass, on the Great Mandchuria
road.

The Russians retired their advance
posts without serious resistance, and
are evidently retiring to their first line
of intrenchments, which is believed to
cross the railroad at Sipinghai, four-
teen miles further north.

They have a number of fortified po-
sitions before reaching their ultimate
line of defense at Kirin, and at Chang-
chun, eighty miles in the rear.

Lieutenant General Linavitch evi-
dently has imposed an embargo on
press messages, indicating that hos-
tilities have entered on a serious
phase.

If negotiations for an armistice are
on foot they must bear immediate fruit
in order to prevent a battle perhaps
greater in its casualties than that of
Mukden.

ELEVEN KILLED IN DERAILING OF NEW FAST TRAIN

Cleveland, O., June 22.—The Twentieth
Century Flyer, eastbound on the Lake
Shore, was wrecked near Mentor, O.,
twenty miles east of this city, to-night.
Eleven persons were killed and thirteen
injured.

A fire engine has been ordered from
Fairview on a special train. The West-
ern Union of this city reports the loss of
a number of wires east of this city.

The engine struck an open switch op-
posite Mentor Depot. The engine is com-
pletely demolished and the cars of the
train derailed. John R. Bennett, a lawyer
of New York, has been taken from the
wreck, dead.

JUDSON AND HARMON RECOMMENDED PROSECUTION OF SANTA FE OFFICIALS; ROOSEVELT AND MOODY WERE OPPOSED

Special Counsel Reported They
Had Found Sufficient Evi-
dence That Road Had
Granted Rebates
to Proceed.

CHARGED CONTEMPT OF COURT

Insisted That Proceedings Should
Be Instituted Not Only Against
Corporation but Its Officers
and Agents as Well.

MADE TWO REPORTS TO MOODY

Attorney General Finally Ac-
cepted Their Resignations When
They Reiterated Belief That
Morton and Others Should
Be Held Responsible.

There was given out at Washington
yesterday an authorized statement of
the difference existing between the
Department of Justice and the special
counsel in what has become famous as
the "Santa Fe Rebate Case."

Included in the presentation is a let-
ter from President Roosevelt, in which
he appears to leave the record in pen-
ing a high justification of Paul Mor-
ton as a railroad, Government and in-
surance official. Word came to The
Republic from Washington last night
that the President's indorsement of
Morton amounted in that city to a sen-
sation.

The statement is long and in most
particulars exhaustive.
It does not, however, give the formal
letter of appointment, which was sent
by the Attorney General to Messrs.
Harmon of Cincinnati and Judson of
St. Louis, through which they were
offered the posts as special counsel in
this important matter.

Nor does the authorized report which
was issued at Washington yesterday
give more than a summary of the re-
port made by Messrs. Harmon and
Judson under date of February 28, and
which is essential to a complete and
fair understanding of the matter in
dispute. The Republic is enabled to
give not only the entire authorized re-
port, but both of these letters. That
which was sent to Messrs. Judson and
Harmon, creating their places as spe-
cial counsel is as follows:

LETTER APPOINTING
HARMON AND JUDSON.
"You are hereby appointed a special
assistant to the Attorney General to ex-
amine the report of the Interstate Commerce
Commission in the matter of alleged un-
lawful rates and practices in the trans-
portation of coal and mine supplies by
the Atchafalaya, Topeka and Santa Fe Rail-
road Company, and such evidence as may be
obtainable for the purpose of ascertaining
whether or not the laws of the United
States have been violated by either of
the corporations named in said report, or
the terms of your contract with the At-
torney General, and if you shall find that
the law has been violated you should
recommend what character of pro-
ceedings the evidence justifies, and
against whom the same should be
taken to secure the vindication of
the law."

The letter embodying the report of
Messrs. Harmon and Judson, under
date of February 28, which The Re-
public is enabled to present to its read-
ers in full, is as follows:

FIRST REPORT
BY HARMON AND JUDSON.
February 28, 1905.—The Attorney Gen-
eral: Sir—We have the honor to inform
you that, as directed in your letter of the
10th instant, we have carefully examined
the report of the Interstate Commerce
Commission in the matter of alleged un-
lawful rates and practices in the trans-
portation of coal and mine supplies by
the Atchafalaya, Topeka and Santa Fe Rail-
road Company, and also the evidence on
which the report was founded. We beg
now to state the results of our considera-
tion of the questions arising thereon.

The conclusions stated in the report
concerning transportation of coal appear
to be fully sustained by the evidence.
From August, 1902, until December, 1904,
the railroad company continuously trans-
ported coal for the Colorado Fuel and Iron
Company, at less than the published rates
then in force, from various points in
Colorado and elsewhere to El Paso, Tex.,
Leming, N. M., and other places to which
such transportation was interstate com-
merce.

SECRET ARRANGEMENT
BETWEEN TWO COMPANIES.
"This was done by secret arrangement
between the two companies, under which
the coal was apparently billed at the
published rate of freight, although in
fact the price of the coal was included.
The railroad company collected the
amount shown by the billing, and paid
over part of it to the fuel company as
the price of the coal, making the real
charge for transportation less than the published
rate by just that amount. At the same
time the rates given and charged other
shippers were the published tariff rates
without any reduction."

"This plan and the way it was carried
out plainly indicated intention to deceive
the Government and the public and to
enable the fuel company to gain a mono-
poly of the coal supply at the points in-
volved by giving them a strong advan-
tage over competitors in the actual cost
of transportation. The motive for this
favoring the fuel company does not ap-
pear in the evidence thus far taken, but
the fact is clear."

The letter recited that only one of the
chief officers of either company had been
called as witnesses and that no immunity
from prosecution could be claimed by any
of the other officers of either company.
No papers had been submitted by the fuel
company, and consequently no immunity
could be claimed for it. Certain papers
had been submitted by the railroad com-
pany, but only such as are by law made
public, consequently no immunity claim
would stand thereby.

Messrs. Harmon and Judson proceeded
to recommend that the railroad company
and all of its principal officers and agents,
perhaps including some subordinate
officers and agents, be arraigned for con-
tempt of court in making and carrying
out the agreement referred to.

In replying to this letter, on March 1,
Attorney General Moody expressed satis-
faction with the progress made in the in-
vestigation, and concluded with the state-
ment that, upon its completion, he would
confer with the counsel regarding the ac-
tion to be taken. Three days later, the
special counsel, replying to the letter of
the Attorney General, said:

"We both understand our report to
be that the Santa Fe Road had granted
rebates to the Colorado Fuel and Iron
Company, and that the Colorado Fuel and
Iron Company had violated the law in re-
specting the same."

SPECIAL COUNSEL IN SANTA FE CASE WHOSE REPORT WAS NOT APPROVED



FREDERICK N. JUDSON.



ATTORNEY GENERAL JUDSON.

PRESIDENT GAVE SUPPORT TO MOODY IN OPPOSING ACTION AGAINST MORTON

Correspondence in the Now Famous Controversy Is Given Out at
Washington, Including Letters That Passed Between Judson
and Harmon and the Attorney General, the Latter and the
President and the President and Morton — Secretary of the
Navy's Defense Was That He Was Ignorant of Santa Fe's Mis-
deeds.

ROOSEVELT LAUDS RETIRING CABINET OFFICER TO THE SKIES.

BY ASSOCIATED PRESS.

Washington, June 21.—President Roosevelt has taken occasion to express
himself in most positive terms complimentary of the integrity and ability of
Paul Morton, former vice president of the Atchafalaya, Topeka and Santa Fe Rail-
road Company, and now concluding his duties as Secretary of the Navy that
he may assume the chairmanship of the Board of Directors of the Equitable
Life Assurance Society of New York.

These expressions are contained in two letters, one addressed to the At-
torney General and the other to Mr. Morton. The letters were made public to-day
by the administration, together with a number of others which, taken together,
show the precise point of difference between the Department of Justice and
Messrs. Harmon and Judson, who recently resigned as special counsel for the
Government in the rebate case involving the Santa Fe road and the Colorado
Fuel and Iron Company.

The special counsel wished to bring contempt proceedings against the
officers of the road, which would have included Mr. Morton. Their position
was that the testimony adduced before the Interstate Commerce Commission
established a violation of the court order of March 23, 1902, restraining the
company from executing any agreement to transport interstate traffic at rates
lower than the published tariff of the road.

The testimony, they contended, constituted a prima facie case against the
officers of the Santa Fe road, and the only way to ascertain their guilt or in-
nocence was through contempt proceedings.

Attorney General Moody opposed bringing the contempt proceedings on the
ground that while the evidence before the commission might show a violation
of the injunction by the road, it contained nothing connecting any officer of the
company with such violation.

President Roosevelt took the same view. Both the President and the At-
torney General agreed that contempt proceedings should be instituted im-
mediately against the corporation, in both the Colorado Fuel and the International
Harvester case.

The correspondence began with a letter
from the United States against the
Atchafalaya, Topeka and Santa Fe Rail-
road Company, at Kansas City, without wait-
ing the result of future investigations with
reference to other action against it, or
the Colorado Fuel and Iron Company, its
officers and agents.

"If, however, we understand from your
letter, you think it best not to take these
proceedings in contempt until we shall
have reported on the advisability of such
further proceedings, we shall, of course,
make our investigations and report as
early as we can."

The letter concluded with a suggestion
that an order be made for the taking of
further testimony before an examiner in
Kansas City.

"We have no doubt that the laws have
been violated by the traffic officers of the
Atchafalaya, Topeka and Santa Fe Rail-
road Company and those of the Colorado Fuel
and Iron Company. The former have, by
the same acts, violated the injunction in
that case. The formal proof required to
punish them for contempt of court and
also criminally, if it shall be thought best
to do that too, can be had only by judi-
cial process. This is ready to our hands in
the above named case. The proof elicited
before the master will also be available
for criminal proceedings against the Co-
lorado Fuel and Iron Company and its
officers and agents."

"We have said, we can go no further
with informal investigations. We are
convinced that the facts are as we have
stated them, and it only remains to put
the proof in legal form."

"We beg, therefore, that this be con-
sidered our final report as to the recom-
mendations for which we are advised and
await your further instructions."

The order to take further testimony con-
tained in the letter of the special counsel
quoted in the case of the Attorney Gen-
eral in a letter dated March 21, which
concluded with the statement that he pre-
ferred to have all of the recommendations
of the special counsel before him before
considering the question of proper action
to be taken against the Atchafalaya, Topeka
and Santa Fe Company.